

BOUCHER URGES SOUTHWEST VIRGINIANS TO TAKE FULL BENEFIT OF EARNED INCOME TAX CREDIT

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January 29 has been designated by the Internal Revenue Service (IRS) as Earned Income Tax Credit Awareness Day. More than 500,000 Virginia taxpayers took advantage of the Earned Income Tax Credit (EITC) and received more than \$990,000,000 in refunds for the 2007 tax year; however, the IRS estimates that 20 to 25 percent of taxpayers eligible to receive the EITC did not claim this benefit and were unable to collect the tax credit they were rightfully owed last year.

The EITC is a refundable credit, meaning that eligible families can benefit from the credit even if they owe no federal income tax. Eligible families that owe no tax receive a check from the IRS in the amount of their credit. The EITC is available to both married and single people, with or without children, but the credit is greater for families with children.

Working adults can claim a son, daughter, stepchild, grandchild or adopted child for the EITC if the child lives with them for more than six months during the year. Families can also claim a niece, nephew or foster child, but in these cases the child must have lived with the family for all 12 months of the year. In all cases, the child must be under nineteen years of age, be a full-time student under twenty four years of age, or be a totally disabled child of any age.

This year, working families with one child and an annual income of \$35,463 or less, or \$40,463 for married couples filing jointly, may be eligible to receive a credit of up to \$3,043. Families with two children and an income of up to \$40,295, or \$45,295 for married couples filing jointly, may be eligible to receive a credit of up to \$5,028. Individuals with three or more children who earn less than \$43,279, or \$48,279 filing jointly, may be eligible for up to \$5,657. Individuals who have no children living with them and who earn less than \$13,440, or \$18,440 for married couples filing jointly, are also eligible for a tax credit of as much as \$457.

In order to receive the EITC, eligible families must first file a federal income tax return. Taxpayers who qualify for the EITC also qualify for free tax preparation assistance through the IRS Free File Program, which offers free electronic filing for individuals with internet access by visiting www.irs.gov . Additionally, eligible individuals may file a tax return at one of the IRS Taxpayer Assistance Centers or free income tax preparation sites, 19 of which are located in the Ninth Congressional District. For information on the free tax preparation site nearest you, you may visit www.irs.gov , or call 1-800-829-1040.

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